

# House Resolution 119 - Introduced

PAG LIN

H.R. \_\_\_\_\_ S.R. \_\_\_\_\_

1 1 HOUSE RESOLUTION NO. \_\_\_\_\_  
1 2 BY WISE, PETERSEN, and OLDSON  
1 3 A Resolution expressing opposition to federal legislation  
1 4 that would threaten the power of the states to oversee,  
1 5 regulate, and investigate the business of insurance  
1 6 and to protect consumers.  
1 7 WHEREAS, regulation, oversight, and consumer  
1 8 protection have traditionally and historically been  
1 9 powers reserved to state governments under the federal  
1 10 McCarran-Ferguson Act of 1945; and  
1 11 WHEREAS, state legislatures are more responsive to  
1 12 the needs of their constituents and the need for  
1 13 insurance products and regulation to meet their  
1 14 state's unique market demands; and  
1 15 WHEREAS, many states, including Iowa, have recently  
1 16 enacted and amended state insurance laws to modernize  
1 17 market regulation and provide insurers with greater  
1 18 ability to respond to changes in market conditions;  
1 19 and  
1 20 WHEREAS, state legislatures, the National  
1 21 Conference of Insurance Legislators (NCOIL), the  
1 22 National Association of Insurance Commissioners  
1 23 (NAIC), and the National Conference of State  
1 24 Legislatures (NCSL) continue to address uniformity  
1 25 issues between state insurance laws by adoption of  
1 26 model laws that address market conduct, product  
1 27 approval, agent and company licensing, and rate  
1 28 deregulation; and  
1 29 WHEREAS, initiatives are being contemplated by  
1 30 certain members of the United States Congress that  
2 1 have the potential to destroy the state system of  
2 2 insurance regulation and create an unwieldy and  
2 3 inaccessible federal bureaucracy, all without consumer  
2 4 or constituent demand; and  
2 5 WHEREAS, such initiatives include S. 40/H.R. 3200,  
2 6 titled as the National Insurance Act of 2007, which  
2 7 proposed federal charter legislation would bifurcate  
2 8 insurance regulation and result in a quagmire of  
2 9 federal and state directives that would promote  
2 10 ambiguity and confusion; and  
2 11 WHEREAS, adoption of S. 40/H.R. 3200 would allow  
2 12 companies to opt out of state insurance regulatory  
2 13 oversight and evade important state consumer  
2 14 protections; and  
2 15 WHEREAS, the mechanism that would be established  
2 16 under S. 40/H.R. 3200 does not, and cannot by its very  
2 17 nature, respond as state regulation does, to each  
2 18 state's individual and unique insurance markets and  
2 19 constituent concerns; and  
2 20 WHEREAS, S. 40/H.R. 3200 has the potential to  
2 21 compromise state guaranty fund coverage, and employers  
2 22 could be forced to absorb losses otherwise covered by  
2 23 these safety nets for businesses affected by  
2 24 insolvencies; and  
2 25 WHEREAS, S. 40/H.R. 3200 does not fully guarantee  
2 26 state premium tax revenues in the long term and has  
2 27 the potential to draw premium tax revenue from the  
2 28 states; NOW THEREFORE,  
2 29 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,  
3 0 That the House of Representatives joins the National  
3 1 Conference of State Legislatures in expressing its  
3 2 strong opposition to S. 40/H.R. 3200 and any other  
3 3 federal legislation that threatens the power of state  
3 4 legislatures, governors, insurance commissioners, and  
3 5 attorney generals to oversee, regulate, and  
3 6 investigate the business of insurance and to protect  
3 7 consumers; and  
3 8 BE IT FURTHER RESOLVED, That a copy of this  
3 9 resolution be printed and forwarded to the members of  
3 10 the Iowa Congressional delegation in the United States  
3 11 House and Senate, and also to members of the United  
3 12 States Senate Committee on Banking, Housing, and Urban

3 13 Affairs, and the United States House of  
3 14 Representatives Committee on Financial Services.  
3 15 LSB 6584HH 82  
3 16 av/nh/14